

Amendment No. 1 to SB0871

Bailey
Signature of Sponsor

AMEND Senate Bill No. 871

House Bill No. 645*

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Section 13-7-602(9), is amended by deleting the subdivision and substituting:

(9) "Transferred" means:

(A) An interest in real estate was conveyed on or after May 17, 2018; and

(B)

(i) For property located within the jurisdiction of a local governing body described in § 13-7-607:

(a) The conveyance resulted in the conveying owner of the property no longer having substantial control of the property; and

(b) For a property with multiple owners, all owners of the property have conveyed all interest in the property; and

(ii) For all other property, the conveyance is not exempt from the recordation tax pursuant to § 67-4-409(a)(3)(A)(i), (E), and (F); and

SECTION 2. Tennessee Code Annotated, Section 13-7-602(10)(B)(ii), is amended by deleting the language "over the property" and substituting the language "over the property prohibiting, effectively prohibiting, or".

SECTION 3. Tennessee Code Annotated, Section 13-7-603(a), is amended by deleting "three (3) or more separate times" and substituting "three (3) or more separate times within a twelve-month period".

SECTION 4. Tennessee Code Annotated, Section 13-7-604, is amended by deleting "three (3) or more separate times" wherever it appears and substituting "three (3) or more separate times within a twelve-month period".

SECTION 5. Tennessee Code Annotated, Section 13-7-604(a) is amended by deleting "Section 13-7-603 does not" and substituting "Sections 13-7-603 and 13-7-607 do not".

SECTION 6. Tennessee Code Annotated, Section 13-7-604(b)(2), is amended by deleting the subdivision and substituting:

(2) Notwithstanding this part to the contrary, a local governing body that authorizes short-term rental units through a permitting or application process pursuant to subdivision (b)(1) may suspend the continued use of property as provided in § 13-7-603(a), or the use of owner-occupied property pursuant to § 13-7-607, only during the time that the unit does not maintain a permit or approved application if the permitting or application requirements allow for reasonable compliance.

SECTION 7. Tennessee Code Annotated, Section 13-7-604(d), is amended by deleting "§ 13-7-603(a), the provider may challenge the prohibition, regulation" and substituting "§ 13-7-603(a) or § 13-7-607, the provider may challenge the prohibition, effective prohibition".

SECTION 8. Tennessee Code Annotated, Title 13, Chapter 7, Part 6, is amended by adding the following as a new section:

13-7-607.

(a) Except as otherwise provided in § 13-7-604, if a local governing body expressly authorized property for use as a short-term rental unit prior to May 1, 2015, then the local governing body shall not prohibit, effectively prohibit, or otherwise limit the ability of a person to use an owner-occupied property as a short-term rental unit.

(b)

(1) If a local governing body that is subject to this section authorizes short-term rental units through a permitting or application process pursuant to § 13-7-604(b), then the local governing body must send permit or application

renewal notices by mail at least ninety (90) days prior to the expiration date of the permit or approved application and must issue, approve, or deny a permit or an application within thirty (30) calendar days of the local governing body's receipt of a permit application for the property. If the local governing body fails to approve or deny the permit or application within the thirty (30) calendar days, then the permit or application is deemed approved.

(2) If a local governing body denies an application pursuant to subdivision (b)(1), then the local governing body must provide written notice to the provider by mail specifying the lawful reasons for the denial, including a citation to the applicable portions of the ordinance, resolution, regulation, rule, or other requirement that is not in conflict with this part, and shall not prevent an applicant from reapplying and being issued a permit if the applicant cures the identified deficiencies.

(c)

(1) A court shall award litigation costs and fees, including reasonable attorneys' fees, to a plaintiff who prevails in a civil action brought pursuant to § 13-7-604(d) against a local governing body that is subject to this section.

(2) A court may award punitive damages to a plaintiff who prevails in a civil action brought pursuant to §13-7-604(d) against a local governing body that is subject to this section.

(d) For purposes of this section, a local governing body had expressly authorized property for use as a short-term rental unit prior to May 1, 2015, if:

(1) The local governing body had introduced and passed an ordinance, resolution, regulation, rule, or other requirement specifically governing short-term rental units on final reading on or before May 1, 2015, regardless of the date of enforcement of the resolution, regulation, rule, or other requirement; and

(2) On or before May 1, 2015, the local governing body had issued a permit or approved an application for use of a property as a short-term rental unit within the jurisdiction of the local governing body.

(e) As used in this section:

(1) "Owner-occupied property" means property:

(A) Owned by one (1) or more natural persons;

(B) Not owned or co-owned by a business entity; and

(C) Used as a principal residence by at least one (1) natural person; and

(2) "Principal residence" means the residential dwelling of a natural person in which the person's habitation is fixed, and to which, whenever the person is absent, the person has a definite intention to return. If a natural person has multiple residential dwellings that satisfy the definition set out in this subdivision (e)(2), then the person may only claim one (1) residential dwelling located in this state as the natural person's principal residence. It is presumed that a residential dwelling is a natural person's principal residence if the address of the residential dwelling is the same as the address on the person's voter registration or internal revenue service tax reporting W-2 form from the prior twelve-month period.

SECTION 9. This act takes effect upon becoming a law, the public welfare requiring it.